DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program 333 Burma Rd.
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Mr. Warren M. Bullock 1122 Ferguson Road Sebastopol, CA 95472

Attn: Mr. Warren M. Bullock

DRB Chairman

February 1, 2008

Contract No. 04-0120E4 04-SF-80-13.4, 13.8 SAS T1 & E2 Foundations SFOBB-ESSSP

Letter No. 05.013.01-000012

Subject: DRB Recommendation, NOPC #6

Dear Warrren,

The Department has reviewed the Dispute Review Board's recommendations pertaining to NOPC No. 6, as well as the Board's responses to the Department's request for clarification.

The Department agrees with the Board's conclusions that "the filing of the Initial Notice of Potential Claim on June 20, 2007 was extremely untimely;" that the Contractor "has been unreasonably slow in presenting to the State the details of its claimed impact;" and that the "Contractor had a duty to mitigate its own costs in the event they became the responsibility of the State."

The Department accepts the Board's recommendation that the Contractor should be compensated for the supported costs and impacts resulting from its efforts taken to resolve Non-conformance Reports (NCRs) in instances when a qualified welder was present "to directly supervise and control the welding operation and be in attendance 100% of the time" while an unqualified welder operated the controls of SAW equipment. These costs consist of additional non-destructive testing performed on eleven long seam welds, roughly between March, 2006, and May, 2006, for which NCRs were generated by the Department.

As the Board recommends, the Department will accept and review information from the Contractor to ensure that any proven additional costs and delays are compensated. Please note that, to date, no information to prove any such costs and delays has been received by the Board or the Department.

In accordance with procedure K in the "Operation" subsection of Section 5-1.15, "Disputes Review Board," of the Special Provisions, the Department considers this dispute to be resolved.

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Thank you for your services through the duration of this project.

Sincerely,

Pedro J. Sanchez Resident Engineer

cc: R. Maasberg

R. Lewis

M. Woods

M. Vilcheck

D. Proctor

file: 05.013.01, 21.002, 62.001.06